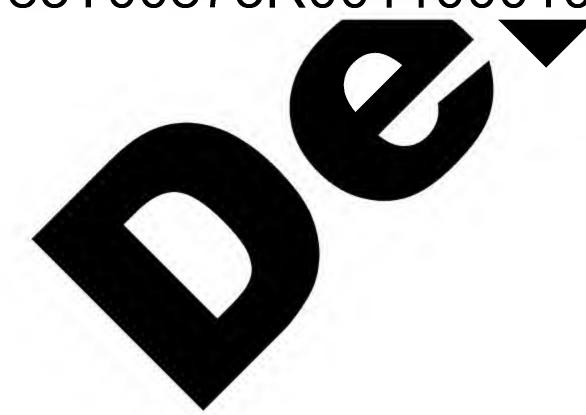
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Developments in Indochina

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out of their way to nurture their direct ties with the Viet Cong, and the Vietnamese, for their part, are deliberately muting their customary bellicose rhetoric in deference to their hosts. The PRG, in fact, appears to be reassuring the Chinese that they are not planning any overly ambitious military action, and the Chinese are responding with new commitments for economic aid.

Enthusiasm among foreign donors for Cambodia's Exchange Support Fund is waning. Australia will not contribute next year, and Malaysia, Japan, and New Zealand are wavering. The Communists' are resupplying and reinforcing in Battambang Province, an area largely untouched by the war.



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SOUTH VIETNAM

Power Struggle Within the Thieu Government

A top-level power struggle may cause President Thieu to curb or dismiss one or both of his two most important aides--presidential assistant Nguyen Van Ngan and Information Commissioner Hoang Duc Nha, who have been vying for influence for some months.

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Mgan and a large group of pro-government legislators charged that Nha's Information Commission was ineffective, corrupt, and incompetent, and recommended abolishing it. Ngan subsequently persuaded the Lower House to vote down a large supplementary budget request which Nha had wanted for the Commission. Ngan and his followers are also calling for a reduction in the political powers of the country's military region commanders.

Some of the country's senior military commanders have become increasingly concerned in recent months over Nha's interference in their affairs, and they have little use for Ngan either. According to presidential aide General Quang, most of the senior officers are pleased that the dispute between the two has come to the surface, and they hope Thieu will fire both of them. National Police Commander General Binh told the President last week that the charges against Nha were essentially true, but that Ngan had also gone too far in interfering with the military by organizing chapters of the government's Democracy Party in the provinces.

There is no indication what Thieu will do, but he has informed General Quang that the dispute is of immediate and great concern to him. Nha, who is Thieu's cousin, has expanded his influence as Thieu's closest civilian adviser; Ngan has achieved a lesser, but still important, role in the administration. Thieu

depends heavily on the backing of the military establishment, however, and if it comes to a showdown between the civilian advisers and his senior commanders, the President is unlikely to go against the military. Although there are few signs that the rivalries have impaired government effectiveness as yet, they represent a potential threat to stability, particularly in combination with other domestic problems or pressures from the Communists.

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An Quang Prepares for Congress

Factional rivalries are heating up as the An Quang Buddhists prepare for a national congress that will elect a new leadership. The chief point of contention at the congress, scheduled for 10-12 December, is expected to be over the rectorship of An Quang's High Secular Council--traditionally the movement's chief spokesman on political matters.

There are signs that Thich Thien Minh, who has been serving as acting rector and who favors a policy of moderate opposition to the government, is losing in his bid to win the post on a permanent basis. Thien Minh has been actively campaigning among the Buddhists for weeks, but, according to the US Embassy, he still lacks majority support. His opponents have mounted a campaign denouncing him in the Saigon press. As a tactical move, he and one of his followers on the High Secular Council have submitted their resignations, effective when the national congress is convened next month.

Although Thien Minh's opponents apparently constitute a majority, they too are divided. One faction favors a more activist anti-government policy, and another generally believes in maintaining the present low political profile. The latter group is directed by Tri Quang, for many years the most influential An Quang leader. Tri Quang opposes Thien Minh's

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candidacy, but there is not much difference between the two on political strategy. Recently, for example, an An Quang group backed by Tri Quang denied a forum to radical anti-government figure Madame Ngo Ba Thanh after the police had warned that Madame Thanh planned to make political propaganda against the government.

The embassy believes that Tri Quang's choice, probably the politically inexperienced and pliable Thich Thien Hoa, is the likely winner. Tri Quang may also try to patch up the feud with Thien Minh by offering the latter a face-saving position such as "supreme adivser" to the An Quang hierarchy. While this could paper over the divisions, the Buddhists would still be faced with latent factionalism in the future as they strive to maintain their independent opposition position.

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INTERNATIONAL

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PRG Delegation in Peking

A Viet Cong delegation, headed by PRG Chairman Nguyen Huu Tho, arrived in Peking last weekend on an official journey that will also include visits to several other Communist countries. The Peking stop was noteworthy both for the warmth shown by the Chinese hosts and for the comparative lack of militancy displayed by the delegation. Large crowds and a host of senior Chinese officials, including Chou En-lai and five other Politburo members, greeted the Vietnamese at the Peking airport. A banquet for Tho's group was equally well-attended, and the delegation had an audience with Mao.

Peking's welcome for the delegation exceeded that given the heads of North Vietnam's party and government last June. In his banquet speech, for instance, Chou used more specific formulations in expressing Chinese solidarity with the PRG than he used last June with the Northerners. A public rally for the PRG drew nearly twice as many as a similar gathering in June.

Chou's substantive remarks and an editorial in People's Daily reiterated in clear terms Peking's strong preference for a political rather than a renewed military struggle in South Vietnam. Like many authoritative Chinese spokesmen before him, Chou stressed that the war has ended, that the situation has entered a "new stage," and that the Vietnamese Communists should concentrate on strengthening their political and economic position in the South.

Chou's comments on the status of the cease-fire were very low keyed compared to recent bellicose Vietnamese Communist language. Chou spoke in elliptical terms, calling the situation "acute and complex."

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He reaffirmed Chinese support for thorough implementation of the cease-fire and blamed Saigon for all difficulties, saying nothing about the US. Chou avoided endorsing any Communist military activity in retaliation for South Vietnamese actions and did not even hint that Peking would replace war material expended in such an effort. The agreement on "gratuitous" Chinese aid signed during the visit mentioned only economic assistance, and there were no top-level Chinese military figures present at the signing.

The PRG, for its part, muted its customary Phetoric. Avoiding the usual strong warnings about "punishing" the Thieu regime and hitting Saigon's base areas, Tho merely stated that the PRG "is endowed with the right to adopt resolute measures" to defend itself. There was no suggestion that the PRG is planning actions that might jeopardize the Paris accord or otherwise upset Peking. Tho asserted explicitly, in fact, that "the South Vietnamese people are determined to fulfil their national and international duties so as not to disappoint the expectations of the fraternal Chinese people.... For the Southern Communists in particular, this reference to constraints imposed from the outside is both unusually explicit and unusually free of pique.

There were clearly differences between the two sides. The talks between Chou and Tho, however, were still described by NCNA as "most cordial and friendly," suggesting that the two sides have found a genuine community of interest, even though Peking's insistence on the primacy of the political struggle in the South seems to clash with the belief of many Southern Communists that a return to large-scale fighting is both necessary and desirable.

Peking has for some time nurtured direct links with the South Vietnamese Communists—although neither Peking nor the PRG can have any illusions about the possibility of doing very much behind Hanoi's back. The Chinese leadership has often exceeded protocol requirements in receiving PRG visitors, for example,

and Chinese propaganda has made much of Peking's direct aid shipments to the Southern Communists. Some observers, not all of them unbiased, have even commented that Peking actually seems to have closer ties with the PRG than with Hanoi.

Peking's motivation seems fairly straightforward. Not only does it want to help the PRG establish its credentials as a legitimate "government"; it apparently sees the maintenance of its own channels to the Southerners, independent of Hanoi, as a worthwhile, long-term investment. Moreover, there are no doubt many in Peking whose feelings for the revolutionary achievements of the Southern Communists are both strong and warm, and their effusiveness comes naturally. Mao, for instance, told Tho that China "should thank you people...because you have fought many years."

The lack of bite in the PRG's rhetoric is harder to explain. To some extent the Southerners may simply have been deferring to the attitudes of their hosts, but this by itself explains neither the warmth of their language nor Tho's explicit bow to Chinese sensibilities. It may also be that Tho was seeking to reassure the Chinese that, whatever military action the Communists are planning in the South, it is not the sort that Peking needs to worry about. Indeed, if the exchanges between the two sides are to be taken at face value, the PRG gave the Chinese reassurances that the Southern Communists' military intentions are not overly ambitious, and the Chinese responded with commitments of economic aid.

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CAMBODIA

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Monetary Problems

The meeting on 15 November in Paris of present and prospective contributors to Cambodia's Exchange Support Fund (ESF) was a disappointment to the Lon Nol government. Some \$40 million is needed to help finance 1974 imports and although no firm commitments were made at the Paris meeting, unofficial discussions with US officials suggest that a fund between \$20 million and \$28 million can be raised in 1974, compared with the \$35 million pledged in 1973. Since its inception in 1972, the fund has provided Phnom Penh with about \$70 million in foreign currency for imports and import-related expenses and has been an important supplement to aid through the larger US-financed Commodity Import Program (CIP) and PL-480 mechanism.

The current donor countries are not enthusiastic about contributing. Australia has already announced its intention to withdraw at the end of the year, and diplomatic sources report that Malaysia has made a similar decision. In addition, New Zealand's delegate to the Paris meeting seemed doubtful about his government's support, while Japan indicated the UN debate over recognition of Sihanouk's governmentin-exile would be critical in its decision whether to contribute next year.

Even though the ESF is only one means of financing imports, Phnom Penh needs substantial sums from it to maintain any semblance of economic stability. Prices had more than doubled by August and accelerated at an even faster pace during the rest of the third quarter. Most of this dramatic increase is the result of commodity shortages and high world prices, particularly for rice. The war has severely disrupted domestic production, forcing the government to

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rely on imports for consumer and capital goods. Exports will cover only a fraction of 1974's import needs, and the remainder will have to come from ESF and other aid programs.
Is the War Coming to Battambang?
the northwestern province of Battambang, largely untouched by the war. Most of the rich rice lands in the province are under government control, small businesses still flourish in the provincial towns, and cross-border trade with neighboring Thailand is active. Khmer Communist strength in the province is growing, but probably totals less than 3,000 combat troops. These forces have only occasionally raided government-organized village defense units and Cambodian Army outposts along key provincial highways. The only time the fighting in Battambang made any headlines was last June, when the insurgents shelled the Cambodian Air Force base just outside Battambang City, destroying and damaging a number of aircraft.
the numerical superiority
of government forces, and the use of artillery and tactical aircraft, thus far, have enabled the government to handle Communist initiatives with relative ease. Regional government forces, however, probably will face a tougher test during the coming months.

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